



CALIFORNIA STATE  
**PUBLIC WORKS BOARD**

ARNOLD SCHWARZENEGGER, GOVERNOR

915 L STREET ■ NINTH FLOOR ■ SACRAMENTO CA ■ 95814-3706 ■ (916) 445-9694

STATE PUBLIC WORKS BOARD

December 17, 2004

**MINUTES**

**PRESENT:**

Mr. Bob Campbell, Chief Counsel, Department of Finance  
Ms. Cindy McKim, Acting Chief Financial Officer, Department of Transportation  
Mr. Barry Hemphill, Deputy Director, Telecommunications Division, Department of General Services  
Ms. Cindy Aronberg, Deputy Controller, State Controller's Office  
Mr. Francisco Lujano, Director, Securities Management Division, State Treasurer's Office

**ADVISORY MEMBER:**

Director, Employment Development Department

**LEGISLATIVE ADVISORS:**

Assembly Member Darrell Steinberg  
Assembly Member Wilma Chan  
Assembly Member Lloyd E. Levine  
Senator Betty Karnette  
Senator Wesley Chesbro  
Senator Gilbert Cedillo

**STAFF PRESENT:**

Michael Carter, Assistant Administrative Secretary, State Public Works Board  
Rocel Bettencourt, Assistant Administrative Secretary, State Public Works Board  
Deborah Cregger, Legal Counsel, State Public Works Board  
Kathy Chovan, Legal Counsel, State Public Works Board  
Peggy Palmertree, Acting Executive Secretary, State Public Works Board  
Brian Dewey, Budget Analyst, Department of Finance  
Debbie Dills, Budget Analyst, Department of Finance  
Chris Lief, Budget Analyst, Department of Finance  
Peter Brown, Budget Analyst, Department of Finance

**OTHERS PRESENT:**

Rob Kane, Department of Parks and Recreation  
Rick Stolz, Department of Parks and Recreation  
Pat Rogers, Department of Parks and Recreation  
David Wrightsman, State Parks  
Diane Elliott, Department of General Services  
Sabrina Winn, Department of General Services-RES/PSB  
Cynthia Spita, Department of Parks and Recreation  
Bob Clark, Department of General Services-DGS/RPSS  
Jerry Leong, Department of General Services-DGS/RPSS  
Lynda Calvert, Department of General Services-DGS/RPSS  
Catherine Elliott, Trust for Public Land

Aaron Todd, State Treasurer's Office  
Chris Kooyman, State Treasurer's Office  
Misty Wilson, Department of Forestry and Fire Protection  
Lisa Paterno Department of Forestry and Fire Protection  
Susan Hancock, Department of Forestry and Fire Protection  
Kristie Antuzzi, Department of Forestry and Fire Protection

**CALL TO ORDER AND ROLL CALL:**

Mr. Campbell, Chairperson, Chief Counsel, Department of Finance at 10:00 am called the meeting to order. Ms. Karen Finn, Administrative Secretary for the State Public Works Board called the roll. A quorum was established.

**APPROVAL OF MINUTES**

Ms. Finn reported that staff has reviewed the minutes from the November 5, 2004 and the reconvened Adjourned November 10, 2004 meetings and believe them to accurately represent the actions of the Board.

There were no contingent actions from the previous meetings and staff recommends approval.

**Hearing no objections, the minutes from the November 5, 2004 regular meeting and the reconvened Adjourned November 10, 2004 meeting were unanimously approved.**

**BOND ISSUES:**

Ms. Finn stated that there were three bond items.

Bond Item #1, Department of Forestry and Fire Protection, Buckhorn Forest Fire Station, Replace Apparatus Building. If approved, the requested action would adopt a resolution authorizing the use of interim financing and the eventual sale of lease revenue bonds. Staff recommends approval and adoption of the resolution.

**A motion was made by Ms. Aronberg and Second by Mr. Lujano to approve Bond Item #1. Bond Item #1 was approved by a 5-0 vote.**

Bond Item #2, Department of Forestry and Fire Protection, Manton Forest Fire Station, Relocate facility. If approved the requested action will adopt a resolution authorizing the use of interim financing and the eventual sale of lease revenue bonds. Staff recommends approval and adoption of the resolution.

**A motion was made by Mr. Lujano and second by Ms. Aronberg to approve Bond Item #2. Bond Item #2 was approved by a 5-0 vote.**

Bond Item #3, Department of Veteran Affairs, Fresno and Redding Veterans Homes. If approved the requested action will adopt a resolution authorizing the use of interim financing and the eventual sale of lease revenue bonds. Staff recommends approval and adoption of the resolution.

**A motion was made by Mr. Lujano and second by Mr. Hemphill to approve Bond Item #3. Bond Item #3 was approved by a 5-0 vote.**

**CONSENT CALENDAR:**

Ms. Finn stated that at the request of the Department of Parks and Recreation we are pulling Item #6. In summary, the revised Consent Calendar covers Items #4, #5, and #7 through #15 and proposes: three requests to authorize site selection, one request to authorize acquisition, two requests to authorize site selection, one request to authorize the sale of state surplus property, two requests to approve augmentation, one request to a scope change, one request to

approve reversion, one request to approve preliminary plans, and one request to establish project scope and cost.

There were four 20-day letters for these items: **Item #10, Department of Forestry and Fire Protection, Antelope Forest Fire Station, San Benito County**, Replace Facility—Augmentation. A 20-day letter was sent to the Legislature on November 19, 2004, and no comments have been received.

**Item #11, Department of Corrections, California State Prison, Kern County**, Delano II—Augmentation. A 20-day letter was sent to the Legislature on December 6, 2004, and approval was contingent upon the expiration of the notification period on December 26, 2004, without comment.

**Item #12, University of California, Los Angeles Campus, Los Angeles County**, 200 Medical Plaza Building Renovation, Phase I—Scope Change. A 20-day letter was sent to the Legislature on November 10, 2004, and no comments have been received.

**Item #13, California State University, Long Beach**, Library Addition and Renovation Project—Scope Change (Terminate Project). A 20-day letter was sent to the Legislature on November 19, 2004, and no comments have been received.

Staff recommends approval of the Revised Consent Calendar Items #4, #5, and #7 through #15.

**A motion was made by Mr. Hemphill and Second by Ms. McKim to adopt the Consent Calendar Items #4, #5, and #7 through #15.**

**The Consent Calendar was adopted by a 3-0 vote.**

#### **ACTION ITEMS:**

Ms. Finn stated that there was one Action Item.

Action Item #16 for the Department of General Services, Department of Parks and Recreations, Junge Ranch West, San Luis Obispo County, to authorize the acquisition of real property through the acceptance of a donation under the Natural Heritage Preservation Tax Credit Act of 2000.

Ms. Finn stated the Board approved an action in November, which was just one of many parts to the Hearst Ranch Conservation Transaction, which encompasses more than 81,000 acres. At that time, staff indicated that the Junge Ranch component of the transaction was not ready for consideration and, therefore, would come before the Board at a later date.

Ms. Finn also stated that with the Chair's approval the Department of Parks and Recreation would provide the Board and audience with a high-level overview of the transaction. Specifically, that Parks explain the implications of accepting this donation under the Natural Heritage Tax Credit program as well as the Department's interim management plan of the property.

Mr. Rob Kane, of the Department of Parks and Recreation, stated that at the November PWB meeting the Board approved no cost acquisition of about 834 acres of fee land on the west side of Highway 1 and also included 2 acres for the visitor center, as well as some public access easements to the west side of the Hearst retained properties. This acquisition is at the bottom of Junge Ranch West, and today they are asking for the approval of this acquisition through the acceptance of the donation under the Natural Heritage Preservation Tax Credit Act.

Mr. Kane also stated that if there were any questions that the partners of the whole transaction which includes Steve Horn of the Coastal Conservancy and John Donnelly of the Wildlife Conservation Board.

Mr. Kane noted that the property totals approximately 117 acres and is vacant coastal land that is next to some housing subdivision and that the property will be in addition to San Simeon State Park which is located nearby. The purpose of this acquisition is three fold habitat and viewshed protection and will allow access to the public of the very nice pristine beaches. And also will provide an area for the continuation of development of the California Coastal Trail. There are no environmental issues at the site and the property will be encumbered by a conservation easement before it is donated to the Department of Parks and Recreation. Even with the easement parks will be able to provide public access to the area and some minimal potential future development of public facilities and what the would be is primitive camping, passive recreational opportunities and the California Coastal Trail. State Parks presented at last months meeting an estimate of the needs of the entire projects provide historic public access to the property, patrol, resources management and protection, safety, interpretation/education, and maintenance and immediate public use of the facility. The project will be managed by existing resources.

Ms. Finn noted that staff recommends the approval of acquisition of real property through the acceptance of a donation under the Natural Heritage Tax Credit Act of 2000, contingent upon Public Works Board staff review and approval of the final versions of the following documents:

- Corporation Gift Deed for the 117-acre Junge Ranch parcel
- Deed of Scenic Conservation Easement and Agreement Concerning Easement Rights (West side Junge area)

Ms. Finn also noted that if the final form of these documents substantially change we would recommend coming back to the Board for approval. But at this time we recommend that you approve this acquisition.

**A motion was made by Ms. McKim and Second by Mr. Hemphill to approve Action Item #16.**

**Action Item #16 was approved by a 3-0 vote.**

**OTHER BUSINESS:**

Ms. Finn stated there were no items of other business.

**REPORTABLES:**

Ms. Finn indicated that there were 12 reportable items that Finance staff had approved under the authority delegated by the Board.

**NEXT MEETING:**

Ms. Finn stated that the next regularly scheduled meeting is set for Friday, January 14, 2005, at 10:00 am, at the State Capitol in Room 112.

Having no further business, the meeting was adjourned at 10:12.

## BOND ITEM

### BOND ITEM – 1

**DEPARTMENT OF FORESTRY AND FIRE PROTECTION (3540)**  
**BUCKHORN FOREST FIRE STATION, SHASTA COUNTY**

Replace Apparatus Building

*Authority: Chapter 379/02, Item 3540-301-0660 (8)*  
*Chapter 157/03, Item 3540-301-0660 (2.1)*

**Adopt resolution to:**

1. Authorize the use of interim financing, to be repaid from the Public Buildings Construction Fund from the proceeds from the sale of bonds.
2. Approve the form of and the execution and delivery of a Construction Agreement between the Department of General Services and the State Public Works Board, with consent of the Department of Forestry and Fire Protection.
3. Approve the form of and authorize the execution and delivery of a Facility Lease between the Department of Forestry and Fire Protection and the State Public Works Board.
4. Approve the form of and authorize the execution of a Site Lease between the Department of Forestry and Fire Protection and the State Public Works Board.
5. Authorize the sale of the State Public Works Board Lease Revenue Bonds.

**Total estimated cost: \$1,615,000**

**APPROVED:**  
**5/0**

## BOND ITEM

### STAFF ANALYSIS – 1

Department of Forestry and Fire Protection  
Buckhorn Forest Fire Station, Replace Apparatus Building

#### Action requested

**The action requested will adopt a resolution authorizing interim financing.**

#### Scope Description

**This project is within scope.** The approved project authorizes the construction of a new 2-bay 1,697 sf apparatus building, a 150 sf flammable storage building and a 200 sf pump house. The project includes all site work, paving, landscaping, utilities, asbestos and lead removal, appurtenances, and demolition of existing apparatus building.

#### Funding and Cost Verification

**This project is within cost.** Chapter 157, Statutes of 2003, appropriated an additional \$472,000 for the construction phase of this project to address an anticipated deficiency. The project was re-bid with the increased budget and is anticipated to award the contract in December 2004 within budget.

\$1,885,000 total authorized project costs

\$1,815,000 total estimated project costs

\$302,000 project costs previously allocated: acquisition \$130,000, preliminary plans \$70,000, and working drawings \$102,000

\$1,513,000 project costs to be allocated: construction \$1,513,000 (\$1,284,000 contract, \$64,000 contingency and \$165,000 A&E/Other)

\$70,000 project savings: acquisition \$70,000

#### CEQA

A Notice of Determination was filed with the State Clearinghouse on April 11, 2001 and the waiting period expired on May 10, 2001.

#### Project Schedule

**The project schedule is as follows:**

Complete construction: January 2006

**Staff Recommendation: Adopt resolution**

## BOND ITEM

### BOND ITEM – 2

#### DEPARTMENT OF FORESTRY AND FIRE PROTECTION (3540) MANTON FOREST FIRE STATION, SHASTA COUNTY

Relocate Facility

*Authority: Chapter 379/02, Item 3540-301-0660 (6)  
Chapter 159/03, Item 3540-301-0660 (1.8)  
Chapter 208/04, Item 3540-301-0660 (2)*

#### **Adopt resolution to:**

1. Authorize the use of interim financing, to be repaid from the Public Buildings Construction Fund from the proceeds from the sale of bonds.
2. Approve the form of and the execution and delivery of a Construction Agreement between the Department of General Services and the State Public Works Board, with consent of the Department of Forestry and Fire Protection.
3. Approve the form of and authorize the execution and delivery of a Facility Lease between the Department of Forestry and Fire Protection and the State Public Works Board.
4. Approve the form of and authorize the execution of a Site Lease between the Department of Forestry and Fire Protection and the State Public Works Board.
5. Authorize the sale of the State Public Works Board Lease Revenue Bonds.

**Total estimated cost: \$2,417,000**

**APPROVED:**  
**5/0**

## BOND ITEM

### STAFF ANALYSIS – 2

Department of Forestry and Fire Protection  
Manton Forest Fire Station, Relocate Facility

#### Action requested

**The action requested will adopt a resolution authorizing interim financing.**

#### Scope Description

**This project is within scope.** The approved project authorizes the construction of a new, 2,330 sf barracks/messhall, 2-bay 1,697 sf apparatus building, and a 150 sf flammable storage building. The project includes all site work, paving, landscaping, utilities, asbestos and lead removal, appurtenances, and demolition of the existing apparatus building.

#### Funding and Cost Verification

**This project is within cost.** Chapter 379, Statutes of 2002, appropriated \$1,364,000 for the construction phase of this project. Due to increasing costs, Chapter 157, Statutes of 2003, and Chapter 208, Statutes of 2004, appropriated an additional \$1,053,000 (\$333,000 and \$720,000 respectively) to fund construction deficiencies, for a total construction appropriation of \$2,417,000. The project is currently out to bid and is anticipated to award within budget.

\$2,691,000 total authorized project costs

\$2,661,000 total estimated project costs

\$244,000 project costs previously allocated: acquisition \$117,000, preliminary plans \$44,000, and working drawings \$83,000

\$2,417,000 project costs to be allocated: construction \$2,417,000 (\$2,104,000 contract, \$105,000 contingency and \$208,000 A&E/Other project costs)

\$30,000 project savings: acquisition \$30,000

#### CEQA

A Notice of Determination was filed with the State Clearinghouse on July 28, 1999 and the waiting period expired on August 27, 2001.

#### Project Schedule

**The project schedule is as follows:**

Complete construction: February 2006

**Staff Recommendation: Adopt resolution**



## **BOND ITEM**

### **BOND ITEM – 3**

#### **DEPARTMENT OF VETERANS AFFAIR (8955)**

#### **FRESNO AND SHASTA COUNTIES**

Fresno and Redding Veterans Homes

*Authority: Government Code §§15819.60 and 15819.65*

#### **Adopt resolution to:**

1. Authorize the use of interim financing, to be repaid from the sale of bonds or other fund sources available to the Department of Veteran Affairs.
2. Authorize the execution of the Construction Agreement between the Department of General Services and the State Public Works Board with the consent of the Department of Veteran Affairs.
3. Approve the form of and authorize the execution of a Facility Lease between the Department of Veteran Affairs and the State Public Works Board.
4. Approve the form of and authorize the execution of a Site Lease between the Department of Veterans Affairs and the State Public Works Board.
5. Authorize the sale of the State Public Works Board Bonds.

**Total estimated cost:**

**\$134,000**

**APPROVED:**

**5/0**

## BOND ITEM

### STAFF ANALYSIS – 3

Department of Veterans Affairs  
Fresno and Redding Veterans Homes

#### Action requested

**The action requested will adopt a resolution authorizing interim financing.**

#### Description

The approved action would finance the due diligence necessary to facilitate the transfer of approximately 28 acres of land from the city of Fresno and approximately 26 acres of land from the city of Redding to the State of California for future veterans homes.

#### Funding and Cost Verification

Government Code §15819.65 authorizes \$162 million from the Public Building Construction Fund for the construction of new veterans homes in the Greater Los Angeles and Ventura Counties (GLAVC), Fresno County, and Shasta County. Assuming the GLAVC project remains within budget at \$78 million from the Public Building Construction Fund, \$84 million will remain for the State's share of costs for the proposed Fresno and Redding veterans' homes.

\$134,000 total estimated due diligence costs

#### CEQA

Compliance with CEQA is necessary before the land transfer can occur.

#### Due Diligence

The requested action will provide the funding necessary to perform due diligence for both parcels of land.

**Staff Recommendation: Adopt resolution.**

## CONSENT ITEM

### CONSENT ITEM – 4

DEPARTMENT OF GENERAL SERVICES (1760)  
DEPARTMENT OF PARKS AND RECREATION (3790)  
INDIO HILLS PALMS, JOSHUA HILLS, RIVERSIDE COUNTY  
DPR Parcel Number 007914-77, DGS Parcel Number 10262

*Authority: Chapter 106/01, Item 3790-301-0005(29)  
Chapter 379/02, Item 3790-301-0005(25)  
Chapter 157/03, Item 3790-301-0262(1)*

a. Authorize site selection

APPROVED:  
3/0

## CONSENT ITEM

### STAFF ANALYSIS ITEM – 4

Department of General Services  
Department of Parks and Recreation  
Indio Hills Palms, Joshua Hills

Action requested

**The requested action will authorize site selection for this project.**

Scope Description

**This project is within scope.** The Legislature has approved funding for the purchase of interests in lands consistent with Proposition 12 Habitat Acquisition Program and Habitat Conservation Fund, without specifying particular parcels. This request will authorize site selection of approximately 3,438 acres as an addition to the State's ownership of Indio Hills Palms in the County of Riverside. This acquisition is part of an 8,800-acre conservation effort that includes other State and non-State partners.

Funding and Cost Verification

**This project is within cost.** Proposition 12 Habitat Acquisition Program provides \$1,237,000 in the Budget Act of 2002 and \$35 million in the Budget Act of 2001, and the Habitat Conservation Fund provides \$1 million for this acquisition program, and there is a sufficient balance remaining in the accounts to pay the total project costs outlined below. The property interest can be acquired with the funds available and in accordance with Legislative intent.

CEQA

A Notice of Exemption was filed with the State Clearinghouse on May 14, 2004, and the waiting period expires on June 19, 2004.

## Project Schedule

### **The project schedule is as follows:**

The anticipated close of escrow is January 2005.

## Condition of Property

On September 29, 2004, Department of General Services (DGS), Environmental Services Section (ESS) staff conducted an on-site review of the Joshua Hills property, and reviewed the Phase I Environmental Site Assessment (PSA) prepared by Secor International Incorporated for The Nature Conservancy. The proposed use of the 8,800-acre site (the 3,438-acres proposed for site selection is a portion of this larger property), located in the north central portion of the Coachella Valley in Riverside County, approximately 7 miles north of Palm Desert, is to protect important ecological habitat and provide a linkage between the Joshua Tree National Park and the Coachella Valley Preserve.

The site location is considered an essential habitat linkage between the Joshua Tree National Park ("Park") located to the north of the property and the Coachella Valley Preserve ("Preserve") located to the south of the property. The property provides the largest block of undeveloped land between the Park and the Preserve. The area surrounding and including the property have been identified as an important linkage area, as well as providing habitat for key animal species (i.e., desert tortoise, Palm Springs pocket mouse, Le Conte's thrasher, and Desert bighorn sheep.)

The property is currently unimproved vacant desert land and consists of desert land with rocks and coarse sand, desert shrubs and wash areas. Areas adjacent to the property consist of primarily vacant desert and mountainous land.

ESS staff notes the PSA has been professionally prepared to standards as defined in the American Society of Testing and Materials (ASTM), and support the findings and conclusions of the report, which were based on records review, user-provided information, on-site reconnaissance, and interviews. The PSA found no evidence of recognized environmental conditions (REC) with the property.

The ESS site visit confirmed the findings of the PSA. No other potential problems with hazardous materials or the condition of the property were observed during the site visit. Based upon the findings of the ESS review and site visit, ESS staff agrees that the property is consistent with intended (preservation) land use.

## Other:

- The purchase price shall not exceed estimated fair market value as determined by a Department of General Services (DGS) approved appraisal.
- Mineral rights have been reserved on the property by prior deeds and an investigation is under way to determine what affect, if any, this reservation will have on the future use of the property. This investigation will be concluded prior to acquisition approval.
- The Department of Parks and Recreation (DPR) is not aware of any lawsuits pending concerning the property. The Property Acquisition Agreement will require delivery of title to the property free and clear of any mortgages or liens.
- The subject property is unoccupied and unimproved.

- This acquisition meets 3 of the 8 Department Acquisition guidelines, specifically for Sustainable Ecosystems, Significant Cultural Resources Properties and In-holdings and Adjacent Parcels. The subject property preserves important wildlife corridor links to Coachella Valley preserve and Joshua Tree National Park, provides additional recreational opportunities to the rapidly growing population of Coachella Valley and western Riverside and San Bernardino Counties, and preserves archeological resources situated within the Indio Hills area. If this property is not purchased it will be developed as residential subdivision.
- DPR does not anticipate the need for additional support funding to manage this property. It is anticipated that this acquisition will be incorporated into the existing management of the Indio Hills Palms unit. The Indio Hills Palms is currently managed under a memorandum of understanding (MOU) with the Coachella Valley Preserve, of which Indio Hills Palms is a part. DPR will be pursuing changes to the MOU with the committee to secure assistance managing the additional property.
- Acquisition approval will not be requested until DPR is able to secure long-term operational support for this property through a revised MOU or other means if needed and can certify that this acquisition will not result in future support budget implications.

**Staff Recommendation:     Authorize site selection**

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## CONSENT ITEM

### CONSENT ITEM – 5

DEPARTMENT OF GENERAL SERVICES (1760)  
DEPARTMENT OF PARKS AND RECREATION (3790)  
KENNETH HAHN STATE RECREATION AREA, STOCKER STREET  
LOS ANGELES COUNTY  
DPR Parcel Number A37403 and A37404, DGS Parcel Number 10259

*Authority: Chapter 106/01, Item 3790-302-0005(7)*

a. Authorize acquisition

APPROVED:  
3/0

## CONSENT ITEM

### STAFF ANALYSIS ITEM – 5

Department of General Services  
Department of Parks and Recreation  
Kenneth Hahn State Recreation Area, Stocker Street

Action requested

**The requested action will authorize acquisition consistent with the staff analysis.**

Scope Description

**This action is within scope.** The Legislature has approved the funding for the purchase of additions to the Kenneth Hahn State Recreation Area. Subsequent legislation, clarified that the funds could also be used for the development and planning of the parcels upon completion of the acquisition. The Department of Parks and Recreation (DPR) has further defined the scope as the acquisition of five parcels of open space totaling 32.86 acres of land with the potential for the development of the parcels located along Stocker Street as additions to the Kenneth Hahn State Recreation Area in Baldwin Hills. This request will authorize acquisition of the remaining two of five parcels. The two parcels combined consist of approximately 17 acres. This acquisition meets the DPR's acquisition guidelines for "Inholdings and Adjacent Properties" being situated between previously acquired parcels along Stocker Street.

#### Funding and Cost Verification

**This project is within cost.** Chapter 106, Statutes of 2001, Item 3790-302-0005(7) as modified through Chapter 400, Statutes of 2001, provides funding for this acquisition, overhead costs, and development and planning of real property along the Stocker Street Trail. The property can be acquired within the funds available and in accordance with Legislative intent.

\$2,007,500 total estimated project costs

\$1,500 project costs previously allocated: DGS staff review costs

\$2,006,000 project costs to be allocated: \$2,000,000 acquisition and estimated closing costs of \$6,000

#### CEQA

A Notice of Exemption was filed with the State Clearinghouse on February 13, 2002, and the waiting period expired on March 20, 2002.

#### Project Schedule

**The project schedule is as follows:**

The anticipated close of escrow is December 2004.

#### Condition of Property

Department of General Services (DGS) Environmental Services Section (ESS) staff conducted a site visit on August 6, 2004, of the proposed Kenneth Hahn, Stocker Street parcel (Valley Ridge, LLC) to be acquired by the Department of Parks and Recreation. No due diligence issues were noted that would prevent the site acquisition. ESS staff concluded that a formal Preliminary Site Assessment, Phase I, was not necessary for acquisition based on the following findings: (1) the site remains undeveloped; (2) there are no surface/subsurface improvements on the property that would require inspection; (3) no observation was noted of hazardous material use, solid waste, storage of these wastes, or surface drainage; 4) properties adjacent to the site include a vacant parcel and a residential neighborhood; and, 5) the parcel does not contain improvements (industrial uses, fuel storage, waste disposal, unknown debris, etc.) that would raise a concern for migration of hazardous materials.

#### Other:

- Site Selection was delegated at the September 22, 2004 State Public Works Board Screening Meeting.
- The purchase price shall not exceed estimated fair market value as determined by a DGS approved appraisal.
- DPR is not aware of any lawsuits pending concerning the property. The property acquisition agreement will require the delivery of title to the property free and clear of any mortgages or liens.
- There is no implied dedication involved with this project.
- The property is vacant and unimproved.
- There is no relocation assistance involved with this project.
- One-time costs for trail development and initial improvements will be funded using existing one-time funds appropriated for this purpose.
- DPR anticipates using volunteers and limited district funds to accomplish ongoing maintenance, including brush clearing and sign/trail maintenance.
- DPR has certified that this acquisition will not necessitate a future General Fund augmentation and will not negatively impact the management of existing DPR lands.



**Staff Recommendation:     Authorize acquisition**

## CONSENT ITEM

### CONSENT ITEM – 6

DEPARTMENT OF GENERAL SERVICES (1760)  
DEPARTMENT OF PARKS AND RECREATION (3790)  
PRAIRIE CITY STATE VEHICULAR RECREATION AREA, BARTON RANCH  
SACRAMENTO COUNTY  
DPR Parcel Number 7792-01, DGS Parcel Number 10270

*Authority: Chapter 157/03, Item 3790-301-0263(2.5)*

- a. **Authorize acquisition of a long-term use restriction.**

**APPROVED:**  
**3/0**

## CONSENT ITEM

### STAFF ANALYSIS ITEM – 6

Department of General Services  
Department of Parks and Recreation  
Prairie City State Vehicular Recreation Area, Barton Ranch

Action Requested

**The requested action will authorize acquisition of a long-term use restriction.**

Scope Description

**This project is within scope.** The operation and use of many State Vehicle Recreation Areas (SVRAs) are threatened by encroaching development. Incompatible development of property adjacent to the SVRAs have interfered with, impaired, or closed the pre-existing operations of the SVRAs. Therefore, the Department of Parks and Recreation (DPR) proposes to acquire certain development rights, through a use restriction agreement (“Agreement”) with an adjacent property owner who has lands immediately adjacent and south and southeast of Prairie City SVRA.

The proposed Agreement imposes development restrictions on the adjacent land to preclude single or multi family residential use, and any other use that is incompatible with the existing SVRA. Further, the Agreement waives any claim, past, present, or future, against the State caused by dust, sediment, or noise from Off Highway Vehicle (OHV) activities. The proposed restriction shall encumber 1,069+ acres of the adjacent property and will ensure long-term viability of the existing SVRA. The Agreement shall be the longer of fifty years or as long as the State continues its use of the Prairie City SVRA as an OHV park or other similar use requiring such restrictions and will be a covenant running with the land.

This acquisition meets DPR’s mission by helping to preserve and protect existing and planned facilities and associated off highway vehicle recreation at Prairie City SVRA.

#### Funding and Cost Verification

**This project is within cost.** Chapter 157/03, Item 3790-301-0263(2.5) provides DPR's, Off Highway Vehicle Division with \$22,000,000 for buffer land acquisitions. The property interest can be acquired with the funds available and in accordance with Legislative intent.

\$3,413,000 total project cost

\$3,000 project costs previously allocated (DGS staff costs)

\$3,410,000 project costs to be allocated: \$3,405,000 for acquisition and approximately \$5,000 in overhead costs

#### Project Schedule

The anticipated close of escrow is December 2004.

#### Other:

- There is no relocation assistance involved with this project.
- DPR is unaware of any lawsuits pending concerning this property.
- The purchase price shall not exceed 50 percent of the estimated fair market value as determined by a DGS approved appraisal.
- No possessory interest is being acquired in this transaction, therefore, no site inspection is necessary and there will be no additional support costs to be incurred by the State for the care and maintenance of this property.
- DPR shall ensure the use restriction agreement clearly defines incompatible uses on the adjacent property to minimize future development conflicts.

**Staff Recommendation:** Authorize the acquisition of a long-term use restriction.

## CONSENT ITEM

### CONSENT ITEM – 7

DEPARTMENT OF GENERAL SERVICES (1760)  
DEPARTMENT OF PARKS AND RECREATION (3790)  
SAN SIMEON STATE PARK, AMERICAN LAND CONSERVANCY  
SAN LUIS OBISPO COUNTY  
DPR Parcel Numbers A38801, DGS Parcel Number 10260

*Authority: Chapter 157/03, 3790-301-6029 (10)*

a. Authorize site selection

APPROVED:  
3/0

## CONSENT ITEM

### STAFF ANALYSIS ITEM – 7

Department of General Services  
Department of Parks and Recreation  
San Simeon State Park, American Land Conservancy

#### Action requested

**The requested action will authorize site selection for this project.**

#### Scope Description

**This project is within scope.** The Legislature has approved funding from Proposition 40: California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund for new acquisitions for the State Park System without specifying particular parcels. This request will authorize site selection of approximately 175 acres as an addition to the San Simeon State Park. The proposed acquisition meets the Department of Parks and Recreation's (DPR) mission to protect valued natural resources.

#### Funding and Cost Verification

**This project is within cost.** Chapter 157/03, Item 3790-301-6029 (10) provides funding for this acquisition in fee simple interest and associated overhead for the real property. A portion of the acquisition cost will be financed with an Environmental Enhancement and Mitigation grant from the California Transportation Commission. The property can be acquired with the remaining funds and in accordance with Legislative intent.

#### CEQA

A Notice of Exemption was filed with the State Clearinghouse on July 25, 2001, and the waiting period expired on August 29, 2001.

#### Project Schedule

**The project schedule is as follows:**

The anticipated close of escrow is January of 2005.

#### Condition of Property

Department of General Services (DGS), Environmental Services Section (ESS) staff conducted a site visit to the American Land Conservancy (ALC) property on September 22, 2004. The Department of Parks and Recreation acquisition consists of approximately 175 acres of undeveloped agricultural land east of Highway 1 (Pacific Coast Highway—PCH) at the intersection of Highway 1 and San Simeon Creek Road. The property consists of 175 acres (APN 13-051-018) located in the unincorporated San Simeon area (approximately 3.75 miles north of Cambria), San Luis Obispo County, California.

A Phase I Environmental Site Assessment (ESA) report prepared by Earth Systems Pacific on January 3, 2003 (revised January 7, 2003), was reviewed by ESS staff and found to be in accordance with American Society for Testing and Materials (ASTM) standards. No evidence of recognized environmental conditions in connection with the ALC property was identified in the ESA report. The Phase I report did identify the following:

- “The Willis Warren Ranch landfill is present approximately 1,000 feet northeast of the ALC property, on the opposite side of Van Gorden Creek. Groundwater and air quality assessments are planned for the landfill during 2003/2004. It is possible that the landfill may have impacted groundwater, surface water or air quality in the area; however, the responsible party(ies) for the landfill would shoulder liability for remedial action required by regulatory agencies.”

The Regional Water Quality Control Board (RWQCB) was contacted (Frank Demarko, personal communication, November 4, 2004) regarding the planned groundwater and air quality assessments for the Willis Warren Ranch landfill. Mr. Demarko forwarded a copy of a report containing an analysis of laboratory analytical results on surface and groundwater samples collected on January 22, 2003, at the closed/abandoned San Luis Obispo County waste disposal site (aka Van Gordon Creek Dump/Willis Warren Ranch landfill). The report is based on a single sampling event, so the following conclusions are qualitative in nature:

- Surface Water—the Dump or other land use practices do not appear to be significantly altering the water chemistry (general mineral) or releasing detectable (or trace) concentrations of volatile or semi-volatile compounds to surface waters.
- Groundwater—it appears existing land use practices may be increasing general mineral concentrations in groundwater. However, insufficient data is available at this time to determine if wastes associated with the Dump are significantly contributing general mineral constituents to groundwater. Metal analytical results suggest the land use practices in the vicinity of the Dump are increasing arsenic and iron concentrations in groundwater. Additionally, both toluene and 2-Methylphenol could be associated with waste from the Dump. However, both of these constituents could also be associated with other land use practices at or near the Dump (e.g., agricultural practices, equipment fueling and maintenance). The sources of the volatile and semi-volatile constituents detected need further assessment.

The RWQCB staff recommends additional assessment/work (e.g., additional surface and groundwater sampling, construction of a groundwater monitoring well adjacent and downgradient of the Dump, monitor for landfill related gases above and below ground surface at the dump, measure the depth and characterize the soils used to cover the waste disposed at the Dump) for the Willis Warren Ranch landfill property. The RWQCB has contacted the

responsible parties, i.e., the Warren Trust, the Cambria Community Services District, and San Luis Obispo County, and requested that they conduct further site characterization for the identification of and extent of groundwater and surface water contamination.

At this time it is unknown if the water contamination has any impact on the proposed ALC property acquisition. Topographically, the 20-acre Willis Warren Ranch Dump is situated between and immediately adjacent to two creeks, Van Gordon Creek to the west and a Seasonal Creek to the east. The Dump is at the lower end of a northeast to southwest trending watershed. Hydro geologically, it appears that the groundwater beneath the Willis Warren Ranch Dump corresponds with the watershed's topography, essentially southerly. Based upon the topography and hydrogeology of the area, it appears unlikely the ALC property, which is located to the west of Van Gordon Creek and at a higher elevation from the Dump site, would be impacted by either the groundwater or surface water contamination emanating from the Willis Warren Ranch Dump site.

The site visit to the ALC property revealed no improvements, e.g., industrial uses, fuel storage, waste disposal, etc., on the property that would raise a concern for migration of hazardous materials. No potential problems with hazardous materials, e.g., ground and/or vegetation staining were observed during the ESS site visit and the property is compatible with the proposed

Other:

- The purchase price shall not exceed estimated fair market value as determined by a DGS approved appraisal.
- DPR is not aware of any lawsuits pending concerning the property. The Property Acquisition Agreement will require delivery of title to the property free and clear of any mortgages or liens.
- The property is vacant and unimproved.
- There is no relocation assistance involved with this project.
- There is no implied dedication applicable to this property.
- The property is encumbered by the California Land Conservation Act of 1965 (Williamson Act) and it will be necessary for DPR to notify the Department of Conservation after the approval of site selection.
- DPR anticipates utilizing existing resources to manage this 175-acre property by providing visual patrols. However, DPR will not be in a position to certify the future support budget impacts of this project until the details of this acquisition are finalized.

**Staff Recommendation:     Authorize site selection**

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## CONSENT ITEM

### CONSENT ITEM – 8

DEPARTMENT OF GENERAL SERVICES (1760)  
DEPARTMENT OF PARKS AND RECREATION (3790)  
SAND HILL BLUFF, SANTA CRUZ COUNTY  
DPR Parcel A8161-01; DGS Parcel 10266

Authority: Chapter 157/03, 3790-301-6029(10)  
Chapter 157/03, 3790-301-0890(1)  
Chapter 208/04, 3790-301-0890(1)  
Chapter 208/04, 2660-101-0183

a. Authorize site selection

APPROVED:  
3/0

## CONSENT ITEM

### STAFF ANALYSIS ITEM – 8

Department of General Services  
Department of Parks and Recreation  
Sand Hill Bluff, Santa Cruz County

Action requested

**The requested action will authorize site selection for this project.**

Scope Description

**This project is within scope.** The Legislature has approved funding for the purchase of interests in lands via Proposition 40: Safe Neighborhood Parks, Clean Water, Clean Air and Coastal Protection Bond Fund without specifying particular parcels, and there are certain grant funds from the National Oceanic and Atmospheric Administration (NOAA) and from the federal Department of Transportation Environmental Enhancement and Mitigation Program (EEMP). This request will authorize site selection for the purchase of 79 acres from a total of 143 acres that will be protected as sensitive habitat along the Santa Cruz coastline nearby Wilder Ranch State Park and approximately 4.5 miles north of the city of Santa Cruz on the western side of Highway One next to the Pacific Ocean. The remaining 64 acres of the 143 acres will be privately held subject to an agricultural conservation easement so that the entire 143 acres will be protected.

Sand Hill Bluff encompasses part of a spectacular peninsula coastline that includes stunning cliffs, sea caves, shorebird roosting, resting and nesting areas, coastal scrub habitat, riparian corridors, rich wetland communities, and 1,500 feet of pristine beach, and will preserve an archaeological site of some 27 acres that includes a 5,000 year old shell midden next to the bluffs that will provide unique research and educational opportunities in addition to recreational opportunities and wildlife protection.



#### Funding and Project Cost Verification

**This project is within cost.** Chapter 157/03, Item 3790-301-6029(10), Chapter 157/03, 3790-301-0890(1), Chapter 208/04, 3790-301-0890(1), and Chapter 208/04, 2660-101-0183 provide funding for this acquisition and this property can be acquired with the remaining funds and in accordance with Legislative intent.

#### CEQA

A Notice of Exemption was filed with the State Clearinghouse on October 13, 2004, and the waiting period expired on November 17, 2004.

#### Project Schedule

**The project schedule is as follows:**

The anticipated close of escrow is January 2005.

#### Condition of Property

Department of General Services (DGS), Environmental Services Section (ESS) staff conducted a site visit to the Sand Hill Bluff property on October 13, 2004. The Department of Parks and Recreation (DPR) acquisition consists of approximately 79 acres of vacant land (APN 059-023-08). The subject property is located along the Pacific coast, west of Highway 1 at 5511 Coast Road, Davenport, Santa Cruz County, California.

A Phase I Environmental Site Assessment (ESA) report prepared by RRM, Inc. July 28, 2004, was reviewed by ESS staff and found to be in accordance with American Society for Testing and Materials (ASTM) standards. Additionally, a Phase I ESA report prepared by Rogers E. Johnson & Associates dated October 6, 1992, and included as Attachment C to the 2004 ESA report was reviewed. The Phase I reports identified the following:

- The property has been used for agricultural purposes for over 80 years. In that time, pesticides and fertilizers have been utilized on the property. It is likely that some persistent pesticides were previously used on the property such as Chlordane and DDT, and it is likely that soils on the property contain concentrations of these persistent pesticides (2004 ESA report). The 1992 ESA report identifies metasystox as the primary pesticide. Concentrations of metasystox in the groundwater and soil at the property are unknown. Although metasystox is on a groundwater protection "watch" list published by the State of California it poses a low risk for groundwater or surface water contamination, assuming it was applied properly.
- Pacific Mariculture used approximately three acres of the property from about 1989 to 2000 as an abalone aquaculture facility. The structures and tanks used for this aquaculture operation were removed in 2003. During their tenure as property owners/tenants, Pacific Mariculture inundated this land with seawater that was pumped into tanks on the property. The portion of the land used by Pacific Mariculture cannot be farmed due to the high salinity of the soil. This does not represent an environmental condition according to the Santa Cruz County Environmental Health Service; this portion of the property has been rendered unusable for agricultural purposes (2004 ESA report).

The site visit revealed an abandoned hydrant/well assumed to have been associated with the aquaculture facility. No additional improvements, e.g., industrial uses, fuel storage, waste disposal, etc., were identified on the property that would raise a concern for migration of hazardous materials. No potential problems with hazardous materials, e.g., ground and/or vegetation staining were observed during the ESS site visit and the property is compatible with the proposed future use.

#### Other

- The purchase price shall not exceed estimated fair market value as determined by a DGS approved appraisal.
- This acquisition meets three important DPR guidelines by providing (1) expanded outdoor recreational opportunities, (2) significant cultural resources in the form of the 5,000 year old shell midden; and (3) by preserving and sustaining biologically diverse ecosystems, such as the local sensitive habitat of the Santa Cruz area.
- There is one agricultural lease on the property that is due to expire on January 31, 2005, that will continue on a month-to-month holdover basis until a new lease with DPR can be prepared and signed with the tenant. No relocation assistance issues are involved because there will be no displacement of a tenant.
- DPR is not aware of any lawsuits pending concerning the property. The Property Acquisition Agreement will require delivery of title to the property free and clear of any mortgages or liens.
- The question of an implied dedication claim is always present for any property located between a county road and the ocean, but staff is informed that the owner has statements dating back to the 1920's showing that use of the property from local neighbors for beach access has been permissive and there is no evidence that all of the rights for a prescriptive rights claim, including hostile and notorious use to the exclusion of all others, have been made, let alone perfected by any potential claimant. As such, and because the property will have limited beach access, staff does not feel this is or will be an issue to the State.
- It is anticipated the management of this property will be handled within existing resources. Access to the archaeological site is limited by a single road. DPR will provide limited authorized access to the property.
- It is understood that DPR will finalize the support budget implications of this project prior to requesting acquisition approval. At such time DPR requests acquisition approval, DPR should present its management plan to the Board and demonstrate how this acquisition can be properly managed without the need for additional resources.

**Staff Recommendation:     Authorize site selection**

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## CONSENT ITEM

### CONSENT ITEM – 9

DEPARTMENT OF GENERAL SERVICES (1760)  
DEPARTMENT OF THE MILITARY (8940)  
CALEXICO ARMORY, 210 SHERIDAN STREET, CALEXICO, IMPERIAL COUNTY  
Surplus Parcel Number SSL 624

*Authority: Government Code §14673*

- a. **Authorize the sale of state surplus property**

**APPROVED:**  
**3/0**

## CONSENT ITEM

### STAFF ANALYSIS ITEM – 9

Department of General Services  
Department of the Military  
Calexico Armory

Action requested

**The requested action will authorize the sale of state surplus property.**

Scope Description

**This project is within scope.** Government Code §14673, as amended by Chapter 258, Statutes of 2003, authorizes the Director of General Services, with the approval of the State Public Works Board, to sell, exchange, or lease, for current market value or for any lesser consideration authorized by law and upon those terms and conditions and subject to those reservations and exceptions as the Director of General Services determines are in the best interest of the state, all or any part of the following real property: Approximately 2.06 acres and 10,664 square feet of improvements known as the Calexico Armory, located at 210 Sheridan Street, Calexico, Imperial County. The Department of the Military has determined that the property is no longer needed for its program purposes, and declared it surplus to the agency's

needs in Chapter 258, Statutes of 2004, the annual DGS surplus property bill.

#### Funding and Cost Verification

The costs associated with the sale of the Calexico property include hazardous substances abatement and demolition performed by buyer of the property, the City of Calexico. These costs are deducted from the appraised value of the property. From the net proceeds of the sale, no future costs have been identified except for Department of General Services "DGS" administrative costs associated with the approval of this sale. Pursuant to Government Code §14673, DGS shall be reimbursed for any cost or expense incurred in the disposition of the Calexico property.

#### Project Schedule

**The project schedule is as follows:**

The anticipated close of escrow is January 2005.

#### Other

- Pursuant to Government Code §11011.1 the property was offered to state and local governmental agencies, with the City of Calexico ("City") purchasing the property at fair market value less the costs of demolition to be performed by the City.
- The City obtained three bids from reputable firms for demolition. In the best interest of the State, DGS chose the lowest of the three bids, which was \$293,000. Demolition costs are high because of hazardous materials at the site (e.g. mercury in the lighting fixtures, asbestos, and lead).
- The City agrees to purchase the property for the appraised value of \$473,000, less the demolition costs of \$293,000, for a net sale of \$180,000.
- The net proceeds of any monies received from the disposition are to be deposited in the Department of the Military Armory Fund established in Military and Veterans Code §435, and shall be available for appropriation in accordance with that section.
- The State shall retain all mineral deposits below a depth of 500 feet and without surface rights of entry as required by Government Code §14673.

**Staff Recommendation:     Authorize the sale of state surplus property.**

## CONSENT ITEM

### CONSENT ITEM – 10

#### DEPARTMENT OF FORESTRY AND FIRE PROTECTION (3540)

#### ANTELOPE FOREST FIRE STATION, SAN BENITO COUNTY

Replace Facility

*Authority: Chapter 3/02, Third Extraordinary Session, Section 2b, Schedule (8)*

- a. Approve augmentation **\$182,516**  
(11.7 percent total project)  
(13.6 percent construction)

**APPROVED:**

**3/0**

## CONSENT ITEM

### STAFF ANALYSIS ITEM – 10

Department of Forestry and Fire Protection  
Antelope Forest Fire Station, Replace Facility

#### Action requested

**The requested action will approve an augmentation for the construction phase of this project.**

#### Scope Description

**This project is within scope.** This project constructs a standard one-engine station. The new station consists of the following buildings: a standard wood framed living quarters building (8-beds); a 300 sf storage building (2-pump, 1-1,000 gal split fuel tank); a 150 sf generator house; site work; utilities; paving, and all appurtenances. Demolition of existing facility is also included.

#### Funding and Cost Verification

This project is not within cost. This project was originally prepared for bid in the fall of 2001. In November of that year the bids significantly exceeded the original funding authority and the contract was not awarded. Chapter 3, Third Extraordinary Session, Statutes of 2002, now provides \$1,390,000 for the construction (\$1,360,000) and working drawings phases (\$30,000) of this project. This project has since been re-bid and a low bidder has been identified. While the bid includes deductive alternates and other cost saving measures, the contract award value still exceeds the \$1,360,000 construction phase budget by \$182,516, or 11.7 percent of the total project funding.

Recent escalations in material costs have contributed significantly to the need for this augmentation. To partially offset this impact, and to reduce the amount of additional funding required, a number of cost reduction measures have been implemented. The deductive bid alternates noted above include the deletion of gutters and downspouts, and the change from metal roofing to asphalt shingles. A 20-Day Letter was sent to the Legislature on November 19, 2004 and the waiting period has expired without comment.

\$1,558,000 total authorized project costs

\$1,741,000 total estimated project costs

\$198,000 project costs previously allocated: preliminary plans \$84,000 and working drawings \$114,000

\$1,360,000 project costs to be allocated: construction \$1,360,000 (\$1,115,000 contract, \$56,000, contingency, and \$172,000 A&E and other project costs)

\$183,000 requested augmentation

#### CEQA

A Notice of Exemption/Determination was filed with the State Clearinghouse on March 15, 2000, and the waiting period expired on April 14, 2000.

#### Project Schedule

**The project schedule is as follows:**

Complete construction: October 2005

**Staff Recommendation: Approve augmentation.**

## CONSENT ITEM

### CONSENT ITEM – 11

#### DEPARTMENT OF CORRECTIONS (5240) CALIFORNIA STATE PRISON—KERN COUNTY AT DELANO II

Authority: Chapter 54, Statutes of 1999, Item 5240-802-0001 and Item 5240-801-0660.268, 61.39.001

- a. Approve augmentation **\$13,145,000**  
(13.0 percent of total appropriation)

APPROVED:  
3/0

## CONSENT ITEM

### STAFF ANALYSIS ITEM – 11

Department of Corrections  
California State Prison—Delano II, Kern County

#### Action Requested

**The requested action will provide an augmentation to the project.**

#### Scope Description

**This project is within scope.** The California State Prison - Kern County at Delano II (Delano II) project consists of constructing a maximum security State prison for male inmates located near the city of Delano in Kern County. The project, when completed, will add a total of 2,248 cells to the California prison system, together with a 400-bed Level I support services facility.

#### Funding and Cost Verification

**This project is not within cost.** The Department of Corrections is requesting approval of an augmentation, which is needed to remedy various deficiencies in the project budget. The augmentation would increase the budget for project administration, construction support, and agency retained, and construction contingency. Due to delays in contractor completion of construction, construction management, inspection, and construction support costs require augmentation. Construction management services will continue to be required through the end of construction and for a limited time period thereafter to resolve disputes and claims, augment the Real Estate Services Division inspection team, and effect project closeout. Inspection services are required through construction completion and formal acceptance of all bid package work. Construction support services are being extended due to the delays in construction and are also required to address design issues as institution staff begin using the buildings and infrastructure and find design problems not identified during construction. In addition, their services are required to provide design assistance on issues that arose during construction, but were deferred because of the impact to the schedule or excessive change order pricing from the contractor. An augmentation to agency-retained costs is also needed for telecommunications,



data communications, trunked radio fees, PIA purchased equipment, and welding booths. The key factors contributing to this increase are: cable for fire support from North Kern State Prison, telecommunications manhole placement issues, additional engineering for conduit pathways, lockboxes for digital phones, and increased Department of General Services fees related to the trunked radio system.

Construction contingency needs to be augmented \$10,250,000 to pay a proposed dispute settlement with the Bid Package 3 contractor and to cover pending bid package change orders. The proposed dispute settlement of \$5,150,000 resolves over \$12 million in pending contract issues with the Bid Package 3 contractor. The contractor issues are comprised of pending change orders, contract disputes, extended overhead, and added labor. Pending change orders, valued at \$3.3 million, are required for completion of the project. The pending change orders cover necessary work, extended general conditions for work that was impacted by other contractor delays, loss of efficiencies for the impacted work, and for demobilization/remobilization/general conditions, for a contractor to return to the site at a later date to complete certain work which must be delayed due to the delayed activation of the prison.

Additionally, \$1.8 million is needed to construct effluent distribution piping and fund construction work deferred from bid packages due to excessive cost estimates or impacts to the construction schedule.

\$379,191,000 total estimated project cost

\$366,047,000 project costs previously allocated: acquisition \$5,072,000; preliminary plans \$4,748,000; working drawings \$6,200,000; project administration \$31,786,000; long lead \$1,084,000; group II equipment \$11,853,000; agency retained \$17,964,000; and construction \$287,340,000 (\$269,116,000 contract; \$13,456,000; \$4,768,000 A&E) at CCCI 3846

\$13,144,000 proposed augmentation: project administration \$1,950,000; agency retained \$446,000; and construction \$10,748,000 (contingency \$10,250,000; A&E \$498,000)

#### CEQA

The Department certifies CEQA requirements have been met. A Notice of Determination was filed with the State Clearinghouse on June 9, 2000. During the litigation period for the project, a lawsuit was filed. After the Department completed a court-ordered revision to the Cumulative Impacts Analysis of the Subsequent Environmental Impact Report, a new Notice of Determination was filed with the State Clearinghouse on December 13, 2001, and the waiting period expired on January 14, 2002. On April 4, 2002, the court issued a decision finding the Revised Cumulative Impacts Analysis to be adequate and that all CEQA requirements had been met. A Notice of Appeal was filed on July 9, 2002. The 5<sup>th</sup> Court of Appeals heard the matter on August 11, 2003, and issued a ruling favorable to the State of California on August 18, 2003, affirming the lower court's decision.

#### Project Schedule

**The project schedule is as follows:**

Complete construction: February 2005

#### Due Diligence Status

Due Diligence was completed on September 3, 2003.

**Staff Recommendation:**    **Approve augmentation.**

**CONSENT ITEM**

**CONSENT ITEM – 12**

**UNIVERSITY OF CALIFORNIA (6440)**  
**LOS ANGELES CAMPUS, LOS ANGELES COUNTY**  
200 Medical Plaza Building Renovation, Phase 1

*Authority:*        *Chapter 52/00, Item 6440-301-0001 (2)*

**a.        Approve scope change**

**APPROVED:**  
**3/0**

## CONSENT ITEM

### STAFF ANALYSIS ITEM – 12

University of California, Los Angeles  
200 Medical Plaza Building Renovation, Phase 1

#### Action requested

**The requested action will approve change in scope.**

#### Scope Description

**This project is within scope.** The project as approved would renovate approximately 23,687 assignable square feet (asf) of the 200 Medical Plaza Building to accommodate selected patient care services from the Center for Health Sciences (CHS) that will not be moved to the new Westwood Replacement Hospital. Phase 1 would be the first phase of renovations to accommodate CHS units that must be in close proximity to the Westwood Replacement Hospital: the Cobalt Therapy Unit and associated Corridor, the Nuclear Medicine Department, and the Clark Center Urological Procedure Unit.

The project has bid significantly over its budget; in particular, the bid for the work associated with the Cobalt Therapy unit of \$6,224,000 was \$3,806,000 higher than estimated. The campus has determined that this level of expenditure cannot be supported for this use. Accordingly it is proposed that this portion of the scope (1,474 asf) be removed from the project. The scope of work for Nuclear Medicine and the Sixth Floor Clark Urological Procedure Unit and Surgery Center remains unchanged. Campus funds have been committed to cover any remaining deficit upon the re-bid of the project. A 20-day Legislative notification letter was processed on November 10, 2004, without comment.

#### Funding and Project Cost Verification

**This project is within cost.**

\$21,303,000 total estimated project costs

\$957,000 project costs previously allocated: preliminary plans—\$405,000 (State funds), working drawings—\$552,000 (State funds)

\$20,346,000 project costs to be allocated: construction—\$9,043,000 (State funds), \$2,260,000 (Hospital Reserves), \$9,043,000 (campus funds, if needed)

#### CEQA

The University certifies that the project is in compliance with the requirements of CEQA.

#### Due Diligence

University of California (UC), on behalf of the Regents of the UC, is vested with the authority for management of the property for the benefit of the university and acknowledges that they have full responsibility for reviewing and clearing due diligence title issues for general obligation bond funded projects.

#### Project Schedule

**The project schedule is as follows:**

Complete construction: March 2006

Staff Recommendation: Approve scope change

## CONSENT ITEM

### CONSENT ITEM – 13

**CALIFORNIA STATE UNIVERSITY (6610)**

**LONG BEACH**

Library Addition and Renovation Project

Authority: Chapter 379/02, Item 6610-302-6028 (10)

a. Approve reversion

**\$17,652,000**

**APPROVED:**

**3/0**

## CONSENT ITEM

### STAFF ANALYSIS ITEM – 13

California State University, Long Beach  
Library Addition and Renovation Project

Action requested

**The requested action will approve a reversion for this project.**

Scope Description

**This project is within scope.**

This project will build a 3,712 gsf high bay Automated Book Retrieval and Storage (ABRS) facility on the south side of the Main Library, as well as renovate the second and third floors of the West and East Wings of the Main Library. This project will also renovate 2,300 sq. ft. in the existing Music Building and expand this space to create a 5,000 gsf satellite Library space at the north end of campus.

Funding and Cost Verification

**This project is not within cost.**

The authorized project was approved for preliminary plans, working drawings, construction in the amount of \$19,083,000 in 2002 and \$449,000 for equipment in 2004, appropriated from capital funds. This project was bid in August 2004 and came in over budget by approximately 40 percent. The CSU requests the termination of the project and the reversion of construction funds of \$17,652,000. Funds to be reverted reflect the expenditure of \$361,000 beyond the design phases to reflect the costs of bid advertising, printing bid documents for contractors, and

the architect's fee for bidding. A 20-day legislative notification letter was processed on November 19, 2004, without comment.

\$19,083,000 Total authorized project costs

\$19,083,000 Total Estimated Project Cost

\$1,431,000 Project costs previously allocated: preliminary plans \$467,000, working drawings \$603,000, construction \$361,000 for construction management

\$17,652,000 Requested reversion

#### CEQA

A Notice of Exemption was filed with the State Clearinghouse.

#### Due Diligence

California State University, on behalf of the Board of Trustees, is vested with the authority for management of the property for the benefit of the university and acknowledges that they have full responsibility for reviewing and clearing due diligence title issues for general obligation bond funded projects.

#### Project Schedule

**The project schedule is as follows:**

Start Construction: January 2006

Complete construction: March 2008

**Staff Recommendation: Approve a reversion for this project contingent on passage of a 20-day letter sent to Legislature on November 19, 2004.**

## CONSENT ITEM

### CONSENT ITEM – 14

**CALIFORNIA COMMUNITY COLLEGES (6870)**  
**LOS RIOS COMMUNITY COLLEGE DISTRICT**  
**SACRAMENTO CITY COLLEGE, SACRAMENTO COUNTY**  
Cosmetology/Graphics Printing Buildings Modernization

*Authority: Chapter 208/04, Item 6870-301-6041 (30), C*

a. **Approve preliminary plans**

**APPROVED:**  
**3/0**

## CONSENT ITEM

### STAFF ANALYSIS ITEM – 14

Los Rios Community College District  
Sacramento City College, Sacramento County  
Cosmetology and Graphics Printing Buildings Modernization

#### Action Requested

The requested action will approve preliminary plans for this project.

#### Scope Description

**This project is within scope.** The authorized scope remodels 7,419 assignable square feet (asf) of the joined Cosmetology and Graphics Buildings resulting in 973 asf office and 6,446 asf laboratory. The scope also modernizes the buildings' HVAC, electrical, lab utilities, lab casework, built-in equipment, and reconfigures space for enhanced program use and code compliant circulation.

#### Funding and Project Cost Verification

The project is within cost.

\$2,557,000 total authorized project costs

\$2,557,000 total estimated project costs

\$1,101,000 state project costs to be allocated: construction \$1,101,000 (\$816,000 contracts; \$113,000 contingency; \$172,000 construction management, administration, testing and inspection) at CCI 4100

\$94,000 local project costs previously allocated: preliminary plans \$94,000

\$1,362,000 local project costs to be allocated: working drawings \$90,000; construction \$792,000 (\$792,000 contracts) at CCI 4100 and equipment \$480,000 at EPI 2564

#### CEQA

**A Categorical Exemption was filed with the State Clearinghouse (#2004108069) on October 4, 2004 and the response period has expired.**

#### Due Diligence

Community college districts are local entities and the State does not have title to their real property, hence districts acknowledge that they have full responsibility for clearing due diligence issues for general obligation bond projects.

#### Project Schedule

**The project schedule is as follows:**

Complete working drawings:	December 2004
Award contract:	February 2005
Complete construction:	February 2006

**Staff Recommendation: Approve preliminary plans.**

## CONSENT ITEM

### CONSENT ITEM – 15

**DEPARTMENT OF VETERANS AFFAIRS (8955)  
LOS ANGELES AND VENTURA COUNTY**

Greater Los Angeles and Ventura County Veterans Homes

Authority: *Government Code §§15819.60 and 15819.65  
Military and Veterans Code §1104.1*

a. **Establish project scope and cost** **\$235,041,000**

**APPROVED:**  
**3/0**

## CONSENT ITEM

### STAFF ANALYSIS ITEM – 15

Department of Veterans Affairs,  
Greater Los Angeles and Ventura County Homes

Action Requested

**The requested action will establish scope and cost for this project.**

Scope Description

This project constructs approximately 520 beds in three new veterans homes offering various levels of care for the Greater Los Angeles and Ventura Counties (GLAVC). The largest of the three homes will have 400 beds in 344,000 gross square feet on approximately 12 acres of the U.S. Department of Veterans Affairs (USDVA) site in West Los Angeles. The two smaller homes in Lancaster and Saticoy will each have 60 beds in approximately 46,000 gross square feet and also contain a maximum 50-person adult daycare facility. The Lancaster site is approximately 22 acres and the Saticoy site is approximately 20 acres. Both the Lancaster and Saticoy sites provide room for future expansion to 400-bed facilities. This project includes the construction of a 34,000 gross square foot central kitchen on approximately 1.5 acres on the West Los Angeles site to serve all three homes, as well as, the USDVA Los Angeles hospital, which is located across the street from the future West LA home. Site improvements including access roads, surface parking and landscaping are included for each site.

Funding and Project Cost Verification:

Approximately \$125.9 million of total project costs are anticipated to be funded through a grant from the federal government. The remaining project costs will be funded by the State through



lease revenue bonds authorized in Government Code §15819.65 and general obligation bonds authorized in Military and Veterans Code §1104.1.

\$235,041,000 total estimated project cost

\$5,925,000 project costs previously allocated

\$229,116,000 project costs to be allocated: preliminary plans \$6,900,000; working drawings \$10,543,000; construction \$211,673,000

#### CEQA

The project will require compliance with CEQA.

#### Due Diligence

The project will require due diligence.

#### Project Schedule

**The project schedule is as follows:**

Preliminary plans approved:	February 2006 (projected)
Working drawings approved:	December 2006 (projected)
Complete construction:	
Lancaster	October 2008 (projected)
Saticoy	October 2008 (projected)
Kitchen West LA	December 2008 (projected)
West LA	February 2010 (projected)

#### Other

- The requested action will supercede the scope and cost that was established for the GLAVC project at the April 11, 2003 SPWB meeting.

**Staff Recommendation: Establish scope and cost.**

## ACTION ITEM

### ACTION ITEM — 16

DEPARTMENT OF GENERAL SERVICES (1760)  
DEPARTMENT OF PARKS AND RECREATION (3790)  
SAN SIMEON STATE PARK, JUNGE RANCH WEST  
SAN LUIS OBISPO COUNTY  
DPR Parcel Number 8134-01, DGS Parcel Number

*Authority: Public Resources Codes 5005*

- a. **Authorize acquisition of real property through the acceptance of a donation under the Natural Heritage Preservation Tax Credit Act of 2000.**

**APPROVED:**  
**3/0**

## ACTION ITEM

### STAFF ANALYSIS ITEM — 16

Department of General Services  
Department of Parks and Recreation  
San Simeon State Park, Junge Ranch West

Action requested

**The requested action will authorize the acquisition of real property through the acceptance of a donation under the Natural Heritage Preservation Tax Credit Act of 2000.**

Scope Description

**This project is within scope.** This request will authorize the acceptance by the Department of Parks and Recreation (DPR) of the donation of approximately 117 acres of vacant coastal land south of Pico Cove and west of Highway 1. The property will be an addition to San Simeon State Park. The acquisition of this undeveloped land will provide habitat and view shed protection as well as access to pristine beaches from Highway 1. A portion of the area will be incorporated into the California Coastal Trail.

CEQA

A Notice of Exemption was filed with the State Clearinghouse on October 8, 2004, and the waiting period expired on November 12, 2004.

Project Schedule

**The project schedule is as follows:**

The anticipated close of escrow is January 2005.

#### Condition of Property

Department of General Services (DGS), Environmental Services Section (ESS) staff conducted a site visit to the multiple properties being acquired in fee title at the Hearst Ranch on September 23, 2004. This site visit covered approximately 954 acres of undeveloped land consisting of 832 acres of coastline west of Highway 1, approximately 5 acres (Visitor Center Expansion Envelope area) east of Highway 1 adjacent to the Visitor Center/Administrative Complex for the Hearst San Simeon State Historical Monument, which was previously approved by the Board, and 117 acres of the Junge Ranch west of Highway 1, which is currently before the Board for consideration. The subject properties are located on either side of Highway 1, north of San Simeon, San Luis Obispo County, California.

A Phase I Environmental Site Assessment (ESA) report prepared by Robison Engineering Company September 11, 2003, was reviewed by ESS staff and found to be in accordance with American Society for Testing and Materials (ASTM) standards. No evidence of recognized environmental conditions in connection with the property was identified in the ESA report. The site visit revealed no improvements, e.g., industrial uses, fuel storage, waste disposal, etc., on the property that would raise a concern for migration of hazardous materials. No potential problems with hazardous materials, e.g., ground and/or vegetation staining were observed during the ESS site visit and the property is compatible with the proposed future use.

#### Other

- This project represents only a portion of the multiple components comprising the larger Hearst Ranch Conservation Transaction, which encompasses approximately 81,177 acres. The approval authority for the majority of the Hearst Ranch Conservation Transaction resides with the Wildlife Conservation Board (WCB), the State Coastal Conservancy (SCC) and the California Department of Transportation (Caltrans), which are providing state funding for the overall transaction. The Hearst Ranch Conservation Transaction also includes the following components which were approved subject to various contingencies by the State Public Works Board in November 2004: the no-cost acquisition by DPR of approximately 832 acres of Hearst property in fee title located over a thirteen mile stretch of Highway 1; an easement providing limited public access to 707 acres of Hearst retained lands at San Simeon Point, Ragged Point, Pico Cove, and Old San Simeon Village Conservation Area; and acquisition by DPR of two acres in fee located on the east side of Highway 1.
- DPR has indicated that the consummation of the overall 81,177-acre Transaction, including the Junge Ranch donation, is dependent upon approval of each of the components by both the State and Hearst. That is, the State and Hearst must reach agreement on all of the components of the Transaction or else none of the components, including the Junge Ranch donation, will proceed.
- The Junge Ranch transaction overall includes a total of 906 acres, consisting of 117 acres on the west side of Highway 1, and an additional 789 acres on the east side of Highway 1.
- The 117-acre Junge Ranch parcel on the west side of Highway 1 is being donated to DPR pursuant to the Heritage Preservation Tax Credit program, in which a donor may contribute qualified property to certain receiving entities, such as DPR, and receive a tax credit of up to 55 percent of the DGS approved value of the property, with the approval of the WCB.
- The WCB approved the application for this tax credit at its August 12, 2004, meeting, and approved a tax credit of up to \$15 million to be granted to Hearst for the donation of the Junge Ranch. Assuming the full \$15 million tax credit is granted, the effect this tax credit will be a reduction in General Fund revenues of \$15 million. However, recently passed

legislation (AB 2722, Ch. 715, Stats. 2004), effective January 1, 2005, authorizes the use of certain bond funds to effectively offset the impact of this tax credit.

- The three agencies participating in this transaction (WCB, SCC and DPR) have drafted an interagency agreement, with the approval of their respective boards, in which the agencies will provide bond funding to reimburse the General Fund for the \$15 million tax credit. Specifically, WCB proposed to contribute \$6 million of Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 (Prop. 50) funding; SCC proposes to contribute \$6 million from an appropriate bond source; and DPR proposes to contribute \$3 million from an appropriate bond source to offset the General Fund loss.
- The 117 acres on the west side will be encumbered by a permanent conservation easement prior to being transferred in fee to DPR. This easement will allow limited public access and the development of certain public use facilities. Permitted public uses include primitive camping, passive recreational uses, and access to the California Coastal Trail.
- A conservation easement over the 789 acres on the east side of Highway 1 is being granted to the American Land Conservancy (ALC), a non-profit organization, with Hearst retaining the underlying fee. This component of the Junge Ranch transaction does not require State Public Work Board approval. However, it should be noted that the amount of the total tax credit that Hearst can claim is dependent on the approved appraised value of entire Junge Ranch transaction (906 acres), including both the 117 acres being donated to the DPR and this easement being donated to the ALC.
- DPR has not proposed a Property Acquisition Agreement (PAA) to formalize the agreement with Hearst regarding the donation of fee title of 117 acres. A Corporation Gift Deed, along with written instructions to the escrow company, is intended to be the only documents used for this transfer. Normally, a PAA is utilized for the purchase of real property and sometimes used for the acceptance of gifts of real property, to formalize the parties' intentions and to provide protection for the State in the form of grantor representations and warranties, indemnification and agreement as to governing law. In this case, the State is acquiring this property from the long-term owner and has little reason to believe, based on knowledge regarding the history of the site and on the ESS review that any significant physical or legal issues exist on the property that would adversely impact DPR's intended use.
- It was previously noted at the November 5, 2004, regularly scheduled Board meeting that DPR estimates the need for 7 positions and ongoing costs of \$1.3 million to provide historic public access to the property, patrol, resource management and protection, safety, interpretation/education, and maintenance. This includes one-time costs of \$200,000 for equipment and immediate public use facilities. The needs previously identified by DPR include the operational needs of the 117-acre Junge Ranch property.
- Staff understands that DPR will be requesting funding for the above support costs through the normal budget change process. However, DPR has developed an interim management plan that will enable the Department to utilize existing resources to provide for a certain level of resource protection and public safety until such time that additional resources are provided.

Staff has completed its review of the Transaction documents as they now exist in draft form and has conducted the necessary due diligence to ensure that the terms and conditions of this acquisition are reviewed prior to the Board taking action. Based on this review, and assuming that the form of the Transaction documents do not change significantly, staff recommends acceptance of this donation.

**Staff Recommendation:** Recommend acquisition of real property through the acceptance of a donation under the Natural Heritage Preservation Tax Credit Act of 2000 contingent upon SPWB staff review and approval of the final versions of the following documents:

1. Corporation Gift Deed for the 117 acre Junge Ranch parcel
2. Deed of Scenic Conservation Easement and Agreement Concerning Easement Rights (West Side Junge Area)

If the final form of the above documents is substantially changed, in the opinion of the SPWB staff, from the form of the documents which served as the basis for the Staff's recommendation for approval, additional Board approval will be required.

## **OTHER BUSINESS**

### **OTHER ITEM –**

No Other Business.

## **REPORTABLES**

To be presented at meeting.

Respectfully Submitted  
By:

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KAREN FINN  
Administrative Secretary